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SECRETARIAT
OF
THE ODISHA LEGISLATIVE ASSEMBLY
NOTIFICATION

The 3rd April, 2013

No.4972/L.A.,—The following Bill which has been introduced in the Odisha Legislative Assembly on the 2nd April, 2013 is herewith published under Rule 68 of the Rules of Procedure and Conduct of Business in the Odisha Legislative Assembly for general information.

THE INDIAN STAMP (ODISHA AMENDMENT) BILL, 2013

**A
BILL**

FURTHER TO AMEND THE INDIAN STAMP ACT, 1899 IN ITS
APPLICATION TO THE STATE OF ODISHA.

BE it enacted by the Legislature of the State of Odisha in the Sixty-fourth Year of the Republic of India as follows:—

Short title.

1. (1) This Act may be called the Indian Stamp (Odisha Amendment) Act, 2013.

(2) It shall come into force on the date of its publication in the official Gazette.

Insertion
of new
section 3A.

2. After section 3 of the Indian Stamp Act, 1899, the following section shall be inserted, namely:— 2 of 1899.

Duty
chargeable
on mining
lease.

3. A(1) Notwithstanding anything contained in this Act and the rules made thereunder, on every instrument of grant or renewal of a mining lease, the stamp duty chargeable shall be equivalent to fifteen percentum of the amount of average royalty that would accrue out of the highest annual extraction of minerals permitted under the approved mining plan or mining scheme, as the case may be, for such mining lease under the relevant law in force, multiplied by the period of such mining lease.

Explanation.—For the purposes of this sub-section, the average royalty of the highest grade of minerals based on the data available for past twelve months beginning from the date of commencement of the Indian Stamp (Odisha Amendment) Act, 2013 shall be taken into consideration:

Provided that where an application for renewal of mining lease has been made to the State Government prior to the expiry of the lease, but renewal of lease has not been granted by the State Government or the mining lease is deemed to have been extended by a further period in accordance with the provisions contained in the relevant law in force, till the State Government passes an order, prior to the commencement of the Indian Stamp (Odisha Amendment) Act, 2013, the sum total of the quantity of mineral permitted for extraction, year wise, in the approved mining plan or mining scheme, as the case may be, or the actual quantity raised, whichever is higher, shall be taken into consideration for calculation of the stamp duty:

Provided further that in case the production level is enhanced on account of subsequent modification or review of the mining plan, the stamp duty shall be reassessed on the enhanced production level for the remaining lease period and the lessee shall deposit the differential stamp duty before such enhancement is carried out by him:

Provided also that in case a lessee is required to surrender the mining lease or, permanently prohibited from undertaking the extraction of mineral by, or for reasons of any operation of law, court orders passed or any order issued under any law for the time being in force and the reasons of such prohibition are not in any manner attributable to such lessee or his agents, servants, employees or persons claiming through or under such lessee, the lessee shall be entitled for refund of the stamp duty paid by him to the extent of such balance period of lease outstanding:

Provided also that where the lessee is prohibited from undertaking the extraction of minerals for a temporary period for the reasons mentioned in the third proviso and subject to the conditions specified therein, the stamp duty chargeable shall be equivalent to the amount of the sum total of the dead rent that would be payable for the mining lease under the relevant law in force, for the period of such prohibition.

(2) Where an application for renewal of a mining lease has been made to the State Government prior to the expiry of the lease but renewal of the lease has not been granted by the State Government or the mining lease is deemed to have been extended as per the provisions contained in the relevant law in force, by a further period till the State Government passes

an order thereon, the stamp duty payable under sub-section (1) shall be paid by the applicant on or before the date of expiry of the lease or within sixty days from the date of commencement of the Indian Stamp (Odisha Amendment) Act, 2013, whichever is later, in the manner as may be prescribed.

(3) If the application for grant or renewal of mining lease is rejected by the State Government, the applicant shall be entitled for refund of full stamp duty paid by him without any interest.

(4) In case of a mining lease whose period is deemed to have been extended by a further period till the State Government passes an order thereon and the State Government, at a later date, passes an order rejecting the renewal of the lease, the applicant shall be entitled for refund of such amount of stamp duty paid under sub-section (1), as arrived at by deducting from the total amount of stamp duty paid, the amount of stamp duty chargeable in respect of such mining lease till the date of such rejection order.

(5) No refund as mentioned in sub-sections (3) and (4) shall be made if the order rejecting the application is challenged or the time limit for presenting the application for revision of the order of rejection is not expired.”.

STATEMENT OF OBJECTS AND REASONS

A number of mines in the State are under deemed extension in accordance with the provision of rule 24A (6) of Mineral Concession Rules, 1960 for a long time without grant of the renewal applications. Lease deeds in such cases are yet to be executed as necessary orders for renewal of these applications could not be passed for various reasons. While the renewal applicants continue to enjoy the benefits of 'deemed extension' provision, the State Government is deprived of a substantial amount of revenue, which otherwise would have been payable by the lessees on the renewal of their leases. In order to provide for payment of such stamp duty pending renewal of mining leases and for matters connected therewith, it is proposed to make the requisite provision in the Indian Stamp Act, 1899 as in force in the State of Odisha.

It is proposed to enhance the stamp duty chargeable on the instruments of grant and renewal of mining lease by inserting a new section 3A with different sub-sections under this section, in the Indian Stamp Act, 1899 in its applications to the State of Odisha so as to charge stamp duty at the enhanced rate on the instruments of grant and renewal of mining leases on the highest annual extraction of minerals permitted under the approved mining plan or mining scheme, as the case may be, for such mining leases approved under the relevant law in force.

The stamp duty as per the amendment shall be charged at the rate of 15% of the amount of average royalty that would accrue out of the highest annual extraction of minerals permitted under the approved mining plan or mining scheme, as the case may be, which would be payable by the lessees for grant of new mining leases as well as towards pending renewal applications to generate substantial amount of revenue for the State Government. For leases, the renewal of which has fallen due prior to the commencement of the amendment, the average royalty of the highest grade of minerals prevailing during twelve months immediately before the date of commencement of the amendment for which data is available shall be taken into consideration for valuation of stamp duty. For the renewals falling due after the commencement of the amendment, the average royalty of the highest grade of minerals based on data available for past twelve months prior to the date of renewal shall be so considered.

The Bill seeks to achieve the above objectives.

SURYANARAYAN PATRO

Member-in-Charge

A. K. SARANGI

Secretary

Odisha Legislative Assembly